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CBO Oversight: Member Day
House Budget Committee
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Chairman Womack, Ranking Member Yarmuth, and Members of Congress, thank you for inviting me to testify this morning about my bill H.R. 3822, the CBO Show Your Work Act.

First, I want to applaud the Committee's efforts on taking up this important topic.

This bipartisan effort aims to strengthen transparency and accuracy within the CBO scoring process. Transparency and accuracy is needed now more than ever given the enormous impact tax legislation has on our macro-economy. CBO has an incredibly important role as Congress' scorekeeper providing budget and cost analysis. In the business world, CBO essentially serves as our accounting department.

Before coming to Congress, I was a manufacturer. Whenever our company was deciding how to price a quote, a new product line, or value and acquisition, I always worked closing with our CFO and cost accounts. Our interactions were iterative as we worked to model the critical decisions that shaped our companies. At times a quick summary report, a chart, graph or a simple email was sufficient, but I could always get as much detail as needed to understand how they costs stacked up so that I could accurately assess how the various alternative courses of action could influence the desired outcome. This open and transparent relationship helped my executive team communicate effectively, and my business itself run more efficiently. I was able to execute transactions knowing I had the best data available.

No section or department within my business held the other hostage.

Congress, indeed the American people, need the same relationship with CBO. CBO has the vital role as the accounting department for Congress. Given the enormous weight CBO scores have on the ability of Members of Congress to make policy decisions, it should be a top priority for CBO standards and scores are transparent, accurate and of the highest possible quality. Requiring CBO to release how it scores legislation for informational purposes can help lawmakers fairly judge these bills effectively, and accurately model alternative courses of action. I didn't have to guess

in business, and when the stakes are higher here in Congress, we shouldn't hope, we should know.

For that reason, last September, I introduced H.R. 3822, the CBO Show Your Work Act.

This bill does three things.

First, it requires the CBO to publish all data, models, and processes utilized in the analysis and scoring of legislation online. Next, it specifies that the data and information provided must be sufficient so that individuals outside of CBO can understand, replicate, and reproduce the results found within the CBO scores. Finally, should CBO not disclose certain datasets due to privacy concerns, they must instead publish a complete list of data variables for that data. This would give users of the model an opportunity to modify inputs using aggregates based on the private details kept at CBO. Data such as descriptive statistics, averages, standard deviations, correlations, would include a reference to the statute or rule preventing them from disclosing the data, and the contact information for the individual or entity who has access to the redacted data.

In consideration of this bill, it's important to remember that academic institutions around the world already do this. Economists understand that transparency, and the openness of communication provides a strong safeguard against errors, omissions, and bias. This is why the academic community increasingly require scholars and economists to "show their work" before publishing to insure integrity is upheld and the published work can stand on its own.

In one example, the American Economic Association's "*Data Availability Policy*" reads:

"It is the policy of the American Economic Association to publish papers only if the data used in the analysis are clearly and precisely documented and are readily available to any researcher for purposes of replication."

In light of our most recent, glaring need for more transparency concerning the increasingly contentious healthcare and tax reform debates, it is vitally important that CBO adopts this widely accepted and acknowledged data availability standard, so that members of Congress, outside experts, and interested parties can understand the CBO's methodology – when appropriate, raise concerns about its limitations or accuracy.